

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-445-C - ORDER NO. 2000-0069
JANUARY 18, 2000

IN RE: Application of RCN Telecom Services, Inc.) ORDER APPROVING ^{VOW}
(Formerly RCN Telecom Services of) TRANSFER & MERGER
Pennsylvania, Inc.), RCN Telecom Services,)
Inc., and RCN Long Distance Company for)
Authority to Merge and to Transfer Licenses)
as Part of a Pro Forma Corporate)
Restructuring.)

This matter comes before the Public Service Commission of South Carolina (the "Commission") on the application of RCN Telecom Services, Inc. (formerly RCN Telecom Services of Pennsylvania, Inc.) ("RCN PA"), RCN Telecom Services, Inc. ("RCN TS"), and RCN Long Distance Company ("RCN LD") for authority to merge and to transfer licenses as part of a pro forma corporate restructuring. Specifically, the Applicants respectfully request that the Commission authorize the merger of RCN LD with and into RCN PA and the assignment of RCN LD's Certificate of Public Convenience and Necessity to RCN PA. As a result of the Restructuring, RCN LD will cease to exist and RCN PA will assume RCN LD's certifications and operations.

Pursuant to the Commission's Executive Director's instructions, the Applicants published a Notice of Filing in newspapers of general circulation one time. The Notice of Filing informed the public of a method of participation in the proceedings herein. No Protests or Petitions to Intervene were received. Accordingly, the Applicants have

moved for expedited review of this matter, and have furnished the verified testimony of Trudy M. Longnecker, Tariff and Compliance Manager in support of the Application.

S.C. Code Ann. Section 58-9-310 (Supp. 1998) requires notice and “due hearing” before the Commission may approve the transfer of the assets of telephone companies from one carrier to another. When there have been no Protests or Petitions to Intervene, we have often granted Motions for Expedited Review, when they are accompanied by verified testimony. We then declare the Commission meeting where the matter was considered to be the “due hearing” required by the statute.

We grant the Motion for Expedited Review and hold that the Commission meeting of December 28, 1999, wherein the matter was considered by the Commission to be the “due hearing” required by the statute. We have examined the verified testimony of Trudy M. Longnecker, Tariff and Compliance Manager, and find that it supports the reasoning and ultimate request found in the original Application.

The purpose of Longnecker’s testimony is to support the Application of RCN PA, RCN TS, and RCN LD for approval to merge and to transfer licenses. More specifically, Longnecker’s testimony presents evidence on the financial, technical, and managerial abilities and public interest benefits of RCN PA to assume the certificate and operations of RCN LD. According to Longnecker’s testimony, RCN LD, a third-tier subsidiary of RCN Corporation, is authorized to provide interexchange services in South Carolina. The testimony reveals further that the restructuring is simply a paper transaction that will be transparent to consumers and will not in any way inconvenience or cause harm to RCN LD’s customers. One of the Company’s reasons for restructuring is to enable RCN

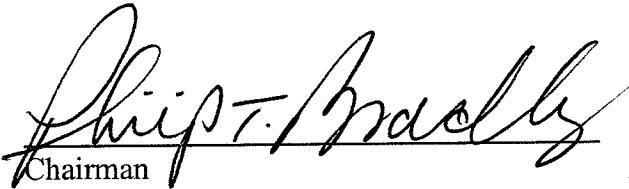
Corporation and its remaining subsidiaries to reduce their administrative and operating expenses, to realize operational and management efficiencies and other corporate benefits; the restructuring will also increase the financial strength of the entity which is providing service in South Carolina.

According to the prefiled testimony, the restructuring will not result in changes in RCN LD's tariffed prices; RCN PA will continue to offer all of the services currently offered by RCN LD, at the same rates, terms, and conditions. In addition, once the proposed restructuring is completed, RCN PA will file revised tariffs to reflect RCN Telecom Services, Inc. as the operating entity in South Carolina. Furthermore, the testimony reveals the proposed restructuring will not in any way disrupt service or cause inconvenience or confusion to the customers of RCN LD. Finally, it appears from the testimony that the merger is in the public interest.

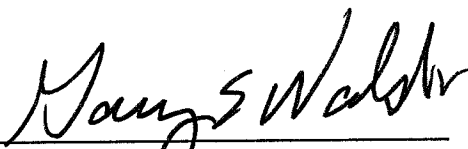
Accordingly, we have examined the testimony and the record of this case, and hereby approve the proposed transaction, for the reasons stated above. We find the merger of RCN LD with and into RCN PA and the transfer of RCN LD's Certificate of Public Convenience and Necessity to RCN PA is in the public interest.

This Order shall remain in full force and effect until further Order of the
Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)